

STATE OF NEW YORK

DEPARTMENT OF TAXATION AND FINANCE

BOARD OF CONFERES - CORPORATION TAX BUREAU

Corp. Tax Determinations A-2
U.S. Vitamin & Pharmaceutical Corp.

In the Matter of the Applications of

U. S. VITAMIN & PHARMACEUTICAL CORP.

Hearing Case No. 5413

for revision or refund of franchise taxes
under Article 9A of the Tax Law for the
fiscal years ended 11/30/63 and 11/30/64

The taxpayer computed and paid the following franchise taxes:

Fis. Yr.	Bus. Inc. before Alloc.	Bus. %	Bus. Inc. Alloc.N.Y.	Inv. Inc. Alloc.N.Y.	Total Inc. Alloc.N.Y.	Tax at 5 1/2 %
11/30/63	\$3,938,070	75.499	\$2,988,303	\$1,900	\$2,990,203	\$164,461.17
					Subsidiary capital tax	1,380.51
					Total tax	165,841.68
						Tax at 5 1/2 %
11/30/64	3,916,403	73.76020	2,888,747	218	2,888,965	158,893.00
					Subsidiary capital tax	1,432.00
					Total tax	\$160,325.00

Timely applications were filed 8/12/65.

The only revision requested is in the wage factor of the business allocation formula. The taxpayer, when completing its original franchise tax reports, inadvertently, for both years, included general executive officers compensation in the wage factor, whereas in accordance with Section 210.3(a)(2)(3) such wages should be excluded. In addition for the year ended 11/30/63 the taxpayer erroneously allocated to New York salaries of employees outside New York.

The following taxes which result after correcting the errors made by the taxpayer is recommended for approval:

Fis. yr.	Bus. Inc. before alloc.	Corr. Bus %	Bus. Inc. Alloc.N.Y.	Inv. Inc. Alloc.N.Y.	Total Inc. Alloc.N.Y.	Tax at 5 1/2 %
11/30/63	\$3,938,070	72.935	\$2,886,818	1,900	\$2,888,718	\$158,279.49
					Subsidiary capital tax	1,380.51
					Corrected tax	160,260.00
					Original tax	165,841.68
					Reduction	5,581.68
11/30/64	3,916,403	73.3121	2,871,197	218	2,871,415	157,928.00
					Corrected tax	1,432.00
					Original tax	159,360.00
					Reduction	\$ 968.00

Approved
E. A. DORAN

Approved
JAMES R. MACDUFF
8-30-65

/s/ WILLIAM F. SULLIVAN

Chairman
/s/ DONALD H. GILHOLLY